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May 27, 2026

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA E-FILING

RE: Application of Pennsylvania-American Water Company under Sections 1102(a) and 1329 of the Pennsylvania Public Utility Code, 66 Pa C.S. §§1102(a) and 1329, for approval of (1) the transfer, by sale, to Pennsylvania-American Water Company, of substantially all of the assets, properties and rights related to the water treatment and distribution system owned and operated by the Indian Creek Valley Water Authority, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish water service to the public in all of the Borough of Ohiopyle and portions of the Townships of Saltlick, Springfield, Bullskin, Connellsville and Stewart, Fayette County and all of the Borough of Donegal and portions of the Townships of Donegal and Mount Pleasant, Westmoreland County, Pennsylvania, Docket No. A-2025-3055741, et al.

Dear Secretary Homsher:

Attached please find for filing the Prehearing Memorandum of Pennsylvania-American Water Company ("PAWC"), in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this document. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adeolu A. Bakare', written over a white background.

Adeolu A. Bakare
MCNEES WALLACE & NURICK LLC

Counsel to Pennsylvania-American Water Company

c: Administrative Law Judge Katrina L. Dunderdale
Administrative Law Judge Ann Quimby
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below, in accordance with the requirements of Section 1.54 (relating to service by a participant).

VIA EMAIL

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Adeolu A. Bakare

Counsel to Pennsylvania-American Water
Company

Dated this 27th day of May, 2026, in Harrisburg, Pennsylvania.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania-American Water :
Company under Sections 1102(a) and 1329 :
of the Pennsylvania Public Utility Code, 66 Pa :
C.S. §§ 1102(a) and 1329, for approval of (1) : Docket No. A-2025-3055741
the transfer, by sale, to Pennsylvania-American :
Water Company, of substantially all of the :
assets, properties and rights related to the water :
treatment and distribution system owned and :
operated by the Indian Creek Valley Water :
Authority, and (2) the rights of Pennsylvania- :
American Water Company to begin to offer or :
furnish water service to the public in all of the :
Borough of Ohiopyle and portions of the :
Townships of Saltlick, Springfield, Bullskin, :
Connellsville and Stewart, Fayette County and :
all of the Borough of Donegal and portions of :
the Townships of Donegal and Mount Pleasant, :
Westmoreland County, Pennsylvania. :

**PREHEARING MEMORANDUM OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

As requested by Administrative Law Judges ("ALJ") Katrina L. Dunderdale and Ann Quimby in the Prehearing Conference Order dated May 14, 2026, Pennsylvania-American Water Company ("PAWC" or "Company") hereby submits this Prehearing Memorandum.

I. INTRODUCTION AND PROCEDURAL HISTORY

PAWC and the Indian Creek Valley Water Authority ("ICVWA") entered into an Asset Purchase Agreement ("APA") dated May 30, 2025, by which PAWC will purchase substantially all of the assets, properties, and rights related to the water system (the "System") currently owned and operated by ICVWA. On November 3, 2025, PAWC filed an application (the "Application") at Docket No. A-2025-3055741 asking the Pennsylvania Public Utility Commission ("PUC" or

"Commission") to approve its acquisition of the System (the "Transaction") pursuant to 66 Pa. C.S. §§ 507, 1102 and 1329.¹

On November 20, 2025, Steven C. Gray filed a Notice of Appearance on behalf of the Office of Small Business Advocate ("OSBA"), with the OSBA filing a Notice of Intervention on November 21, 2025.

On December 16, 2025, the Bureau of Technical Utility Services ("TUS") notified the Company that an initial review of the Application had been completed, and TUS provided a list of information required to perfect the Application, with a submittal deadline of December 31, 2025. On December 19, 2025, the Company filed a letter requesting an extension to January 13, 2026, to respond to TUS's requests, which was granted. On January 13, 2026, PAWC responded to TUS's list of deficiencies, including filing an Amended Application and appendices.

On February 3, 2026, the Office of Consumer Advocate ("OCA") filed a Protest to the Application, with Christy M. Appleby and Jonathon M. Longhurst submitting a Notice of Appearance on behalf of the OCA.

On March 3, 2026, the PUC conditionally accepted the Application. In its Secretarial Letter, the Commission indicated that it would not formally accept the Application until PAWC complied with certain service and notice requirements. The Commission further required that PAWC amend its Application to provide additional information as required in the Commission's 66 Pa. C.S. §1329 Application Filing Checklist – Water/Wastewater 2024 Final Supplemental Implementation Order.

On March 16, 2026, John J. Logue filed a Protest to the Application.

On March 25, 2026, Irene Mistick filed a Protest to the Application.

¹ For clarity, references to PAWC's Application include subsequent amendments.

On March 26, 2026, the Borough of Ohiopyle filed a Petition to Intervene.

On April 16, 2026, PAWC notified the Commission that the Company had complied with all service and notice requirements set forth in the March 3, 2026 Secretarial Letter, and that PAWC had provided supplemental materials to satisfy the additional information requested therein. PAWC requested that the Commission accept the Application for filing purposes on May 5, 2026.

On April 28, 2026, the Commission formally accepted the Application for filing. The Commission notified PAWC that the notice of the Application would be published in the *Pennsylvania Bulletin* on May 9, 2026, with a protest deadline of May 26, 2026.

On May 7, 2026, Charis Mincavage and Victoria A. Geddis filed a Notice of Appearance on behalf of PAWC.²

On May 15, 2026, ICVWA filed a Petition to Intervene.

A Prehearing Conference has been scheduled in this proceeding for May 28, 2026. Pursuant to the ALJs' May 14 Prehearing Conference Order, PAWC submits this Prehearing Memorandum.

² PAWC's Application initially identified Adeolu A. Bakare and Elizabeth Rose Triscari as counsel.

II. COUNSEL

Counsel for PAWC are:

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For purposes of the Prehearing Conference, Adeolu A. Bakare will speak as the lead attorney on behalf of PAWC.

III. SERVICE OF DOCUMENTS

PAWC's attorneys are authorized to accept service on behalf of PAWC in this proceeding. PAWC agrees to service by e-mail. Additionally, PAWC has established a virtual data room for this proceeding to which the other parties have access.

IV. ANTICIPATED ISSUES

A. Satisfaction of Section 1102 Standards

As an existing public utility, PAWC is presumed to possess the legal, financial, and technical fitness to own and operate the System. Nevertheless, PAWC included testimony as part of the Application to demonstrate the same. PAWC submits that the acquisition of the System (the "Acquisition") is necessary or proper for the service, accommodation, convenience or safety of the public. PAWC further submits that the Acquisition provides substantial

affirmative public benefits. The Acquisition will promote the Commission's goal of regionalization and consolidation, and the purchase price is reasonable in light of the appraisals that have been performed by the Utility Valuation Experts ("UVEs").

B. Satisfaction of Section 1329 Standards

PAWC submits that it has complied with all the requirements of Section 1329.

PAWC's Application includes the fair market valuation reports of the seller's and buyer's UVEs. The negotiated purchase price for the acquired assets is \$32,800,000, which is lower than the average of the UVEs' appraisals of \$37,262,921. Accordingly, the negotiated purchase price of \$32,800,000 should be the ratemaking rate base of the selling utility pursuant to 66 Pa. C.S. §1329(c)(2). In addition, the Application does not include a "rate stabilization plan" as defined by Section 1329. Moreover, as permitted by Section 1329, PAWC has petitioned, as part of the instant filing, for approval to implement a Distribution System Improvement Charge ("DSIC") with respect to customers in the applied-for service territory prior to the first base rate case in which the System's plant-in-service is incorporated into rate base. PAWC has also, in accordance with Section 1329, petitioned for approval to accrue and defer certain post-acquisition improvement costs associated with the provision of service in the applied-for territory.

C. Certificates of Filing or Approvals for Section 507 Agreements

Section 507 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 507, generally requires a utility to file with the Commission any agreement between it and a municipal corporation. As detailed in the Application, PAWC seeks either a Certificate of Filing or approval of the APA, the First Amendment to the APA, and nine agreements.

V. WITNESSES

PAWC has already submitted Direct Testimony and Exhibits sponsored by the following witnesses:

- A. Tracy J. Baer, PE – Ms. Baer is the Senior Manager of Business Development at PAWC, and her business address is 852 Wesley Drive, Mechanicsburg, PA 17055. Her testimony describes the Acquisition, in addition to explaining why the Acquisition is in the public interest and provides affirmative public benefits of a substantial nature. In addition, she discusses why the Acquisition should be approved by the Commission.
- B. Jed A. Fiscus, PE – Mr. Fiscus is the Director, Engineering Project Delivery – Western Pennsylvania for PAWC, and his business address is 425 Waterworks Road, Clarion, PA 16214. Mr. Fiscus' Testimony discusses the System's source of supply, water treatment and production, water distribution, and environmental challenges associated with the System; PAWC's technical fitness to operate the System; and certain commitments that have been made and improvements to be made to the System by PAWC. Mr. Fiscus also addresses the anticipated day-to-day operation of the System once it is acquired by PAWC.
- C. Dr. Christina E. Chard – Dr. Chard is the Senior Director of Rates and Regulatory for PAWC, and her business address is 1600 Pennsylvania Ave, Charleston, WV 25302. Dr. Chard's Testimony confirms the initial rates, rules, and regulations for the Authority's customers as well as the impact of the transaction on PAWC's existing customers. Her Testimony also discusses the financing of the transaction,

recording of the Acquisition at the net value of the assets, and PAWC's overall financial fitness.

D. Mr. Jerome C. Weinert, ASA, PE, CDP - Mr. Weinert is a Principal and Owner of Weinert Appraisal and Depreciation Services, LLC. Mr. Weinert has a business address of 8555 West Forest Home Avenue, Suite 201, Greenfield, WI 53228. His testimony describes the fair market value appraisal of the System that he and his staff performed on behalf of PAWC.

If necessary, PAWC will submit Rebuttal and Rejoinder Testimony of these witnesses. PAWC also reserves the right to call additional witnesses and to present testimony on additional issues that may arise during the course of the proceeding.

VI. PROPOSED SCHEDULE

The Parties have discussed an alternate procedural schedule to the schedule presented by the ALJs in their Prehearing Order. The Parties respectfully propose the following schedule:

Event	Date
PUC Accepted Application	4/28/2026
Notice Published in Pa Bulletin	5/9/2026
Protest Deadline	5/26/2026
Prehearing Conference	5/28/2026
Direct Testimony of Other Parties	6/1/2026
Public Input Hearing(s)	6/3 – 6/4, 2026
Settlement Conference	6/5/2026
Rebuttal	6/10/2026
Surrebuttal	6/15/2026 (by noon)
Outline of Oral Rejoinder	Day before first hearing
Evidentiary Hearing(s)	6/17 – 6/18, 2026
Receipt of Transcript	6/22/2026
Main Brief	6/30/2026
Reply Brief	7/8/2026
Recommended Decision (no later than)	7/31/2026
Commission Order & Opinion Adopted	10/1/2026
Statutory Deadline	10/28/2026

VII. DISCOVERY

PAWC has already responded to several sets of discovery requests. The ALJs' Prehearing Conference Order modified the Commission's discovery rules. PAWC does not oppose these discovery modifications.

VIII. PROTECTIVE ORDER

PAWC expects to file a Petition for Protective Order in this matter shortly.

VI. POSSIBILITY OF SETTLEMENT

PAWC is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By  _____

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Counsel to Pennsylvania-American Water Company

Dated: May 27, 2026